Communications and Transport sectors. To Curb built in expenditure growth and bring about structural changes in the composition of expenditure, the Budget 2000-2001 has taken a number of new initiatives. Besides, for medium term management of the fiscal deficit a committee has been set up to examine and make suitable recommendations for a strong institutional mechanism embodied in a Fiscal Responsibility Act. For expenditure management and restructuring an Expenditure Commission has also been set up.

Opening of more Branch Offices of IFCI

1306. SHRIMATI KAMLA SINHA: Will the Minister of FINANCE be pleased to state:

(a) whether the Industrial Finance Corporation of India Ltd. (IFCI) proposes
to open more Branch Offices at all the remaining State Capitals and other Cities of the country as reported in the National Newspapers;

(b) whether it is fact that the IFCI is considering to upgrade its Branch Offices at Guwahati, Kochi, Bhubaneswar, Patna and Pune as Regional Offices to facilitate and generate resources; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) IFCI Ltd. has reported that at present it has Corporate Office in New Delhi and 11 Regional Offices at Mumbai, Calcutta, Chennai, Hyderabad, Chandigarh, Lucknow, Bhopal, Jaipur, Bangalore, Ahmedabad and New Delhi. In addition IFCI has six other offices at Pune, Panjab, Kochi, Bhubaneswar, Patna and Guwahati.

(b) and (c) There is no proposal to open any new office in the remaining areas or to upgrade its existing offices at Guwahati, Kochi, Bhubaneswar, Patna and Pune as Regional Offices.

Income Tax exemption to import-related establishment

†1307. DR. D.MASTHAN:
SHRI BALWANT SINGH RAMOOWALIA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government provide cent per cent income tax exemption to the establishments earning out of export;

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†Original notice of the Question was received in Hindi.

(b) if so, the details in this regard and since when the said facility is available;

(c) whether Government would consider to extend the said facility to the manufacturers of the export-related commodities also; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) Yes. Sir.

(b) Under the existing provisions of section 80 HHC, profits derived from export of goods or merchandize received in convertible foreign exchange are entitled to hundred percent deduction. The provision of section 80 HHC in its present form was inserted by the Finance Act w.e.f. 1.4.1986. The deduction available is for any export, excepting mineral ores.

(c) and (d) If export related commodities are to mean supplying of manufactured goods to an exporter, then such a 'supporting manufacturer' is also entitled to the benefits to the extent of disclaimer given by a Trading House or an Export House to it.

The Government does not propose to extend the facility to other manufacturers of export related goods as the basis of deduction is the receipt of sale proceeds in convertible foreign exchange.

The reason for limiting the benefit in this manner is to prevent multiple or double benefit for the same unit of export earnings received in convertible foreign exchange.

Minimisation of fiscal deficit

†1308. PROF. RAM GOPAL YADAV:
SHRI RAMA SHANKER KAUSHIK:

Will the Minister of FINANCE be pleased to state:

(a) whether the share of unnecessary Government expenses/extravagance is adding to the 'fiscal deficit of the country and whether Government have taken/propose to take steps to prevent extravagance so as to minimise the deficit; and

(b) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The non plan revenue expenditure in 2000-2001 is estimated to be Rs. 228768 crore compared to Rs. 204904

†Original notice of the Question was received in Hindi.